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175 If contemporary testimony can be credited, the complete indiffer-
452 ence of the Haitian élite to business was matched by their ignorance
453 of finance when this was anything more complicated than cash pay-
ment transactions or face-to-face exchange. They seem to have been wholly unfamiliar with the uses of commercial paper, the meaning of overdrafts, or bills of exchange. Individual credit was not understood, nor was a signature enough to start a flow of business. As one person from France put it in 1846, "It takes 10,000 francs of money to do 10,000 francs of business."[14] If a merchant doing a good business found his purse empty and needed only to borrow in order to purchase other goods, that circumstance offered to his mind "a redoubtable extremity enveloped in profound mystery; and it is a rule of loyalty and of honor to which Haitian commerce is never false, that the paper on which a man has placed his signature should remain, until the day the loan is paid back, impenetrably shut up in the portfolio of the lender."

[426] Interest, if money could be borrowed at all, was at the rate of one per cent a day, three per cent a month, and from sixteen per cent to twenty per cent a year. Thus letters of credit and promissory notes never moved the slightest business transaction in the country. To seek credit was to confess one's financial embarrassment.

175 The economic ills which harassed Haiti under Boyer were, to a
45 greater or less degree, the same that bedeviled the country for the rest of the century. It seems worth while to list them, for they reveal the mentality of the ruling clique and caste—a mentality which could see no reason for altering of these basic matters, and which during administration after administration devoted itself to superficialities. Haiti's weaknesses were not entirely due to folly and clumsiness, however, but to a perfectly natural ignorance. There was no background for economic thinking: how should ex-slaves with a handful of old freedmen be familiar with credit, banking, overdrafts, and the like? Even education in France would not necessarily offer enlightenment on these matters. "Culture" meant literature, not economics.

These, then, have been the major economic defects of Haiti, 1806 to 1915, due partly to ineptitude, partly to imperfect education:

175 1. The exclusion of all foreign or white investment, industry, and
454 capital. One article in every constitution was given over to this
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[14] R. Lepelletier de Saint-Remy, *Saint-Domingue*, II, 187.

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quarantine: "Haiti for the Haitians." At first the prohibition on white ownership of land and financial investment in the country was attributable to a fear of reënslavement; then to a fear that financial commitments (which no Haitian really understood) would somehow lead to political subjection; and always the feeling of pride, combined with a desperate need of self-justification, made the Haitians want to keep their country entirely under control of their own people. It is, of course, possible that if white people had been allowed free access to the country, they might have destroyed the "Black Republic"; excluding white men altogether, however, seriously curtailed economic activity.

2. Overmilitarization. The army, numerous out of all proportion to the population, took the ablest men out of production, drained the treasury, and was a constant source of revolutionary activity.

3. Poor methods of agriculture. Critics often complained that Haiti ought to return to the system of large estates and forced labor; it apparently occurred to no one to suggest that education of the peasants might have made the land productive once more, by teaching the people new methods. Dividing up the land was an inevitable necessity unless every ruler were as willing as Christophe to be a dictator and as capable; but to keep the peasants in ignorance was not a necessity. Peasant landowners in Europe frequently tend their acres with skill, while in Haiti, with neither experience nor instruction in methods of tillage on small farms, the people developed steadily more destructive ways of farming.

4. Inefficient marketing. Assuming Haiti's dependence upon the staple crop of coffee and the handling of this crop by foreign merchants, every government seemed intent upon putting obstacles in the path of efficient marketing procedure.[15] The white trader could deal only with Haitians (who were ignorant in matters of international trade); although the foreigner had to pay a huge license fee in order to deal at all in Haitian products, he got no security in return, for he might not own land or obtain a lien on the real property of a citizen.[16] Banking and exchange facilities were wholly lacking.

15. In 1833 Boyer thought to "encourage" Haitians to commercial effort by gradually expelling foreign traders, refusing to grant them any new licenses to trade. His scheme failed, for the elite were not interested. Indeed, the actual effect of his plan was to disrupt the steady flow of exports and increase discontent with Boyer on the part of the elite plantation owners whose small profits were momentarily interrupted.

16. See James Franklin, *The Present State of Hayti*, pp. 374 ff.